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REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE WITH COMMONWEALTH OF VIRGINIA'S LAWS, REGULATIONS, CONTRACTS AND GRANTS

The Board of Supervisors County of York, Virginia

We have audited the general purpose financial statements of the *County of York, Virginia* (the "County"), as of and for the year ended June 30, 2002, and have issued our report thereon dated October 8, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with Commonwealth of Virginia's laws, regulations, contracts and grants applicable to the *County of York, Virginia*, is the responsibility of the County's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the County's compliance with certain provisions of the Commonwealth of Virginia's laws, regulations, contracts and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The following is a summary of the Commonwealth of Virginia's laws, regulations, contracts, and grants for which we performed tests of compliance:

Code of Virginia

State Agency Requirements

Budget and Appropriation Laws Cash and Investments Conflicts of Interest Debt Provisions Retirement Systems Procurement
Unclaimed Property
Enhanced 911 Service Taxes
Personal Property Tax Relief Act

Education Comprehensive Services Act Social Services The results of our tests disclosed no instances of noncompliance with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the County had not complied, in all material respects, with those provisions.

This report is intended solely for the information of the Board of Supervisors, management, the Auditor of Public Accounts and applicable state agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Newport News, Virginia October 8, 2002

October 0, 2002

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